

<b>DEPARTMENTAL REGULATION</b>		Number: 2270-001
SUBJECT: Irregularities Affecting the Accounts of Accountable Officers	DATE: November 10, 1994	
	OPI: Office of Finance Management	

## 1 PURPOSE

This regulation sets policy and procedures for handling  
irregularities affecting the accounts of accountable officers.

## 2 CANCELLATIONS

DR 2270-1 dated March 17, 1986, is replaced by this regulation.

## 3 POLICY

Accountable officers are personally liable to the Government for  
any losses the Government may incur because of the officer's  
actions or failure to act, unless and until relief is granted or  
the loss is made up.

## 4 RELATED INSTRUCTIONS

DR 2200-4, Fiscal Liability for Improper Acts.

## 5 AUTHORITIES

a General Accounting Office Policy and Procedures Manual for  
Guidance of Federal Agencies, Title 7, Chapter 7-8.

b 31 U.S.C. 3527.

## 6 DEFINITIONS

a Accountable Officer. An authorized disbursing officer,  
certifying officer, collecting officer, or any Government  
officer or employee who has custody of Government funds.

b Irregularities. For purposes of the laws governing the accountability and  
relief of accountable officers, fiscal irregularities fall into two categories:  
Physical loss/deficiency and improper payment.

(1) Physical loss/deficiency. (All accountable officers) A shortage  
of public funds (7 GAO 8.2) in an account, including imprest or  
similar funds, resulting from such things as theft (burglary,  
robbery, etc.); improper accounting for receipts; loss in shipment;  
and destruction by fire, accident, natural disaster, etc. Any  
unexplained shortage is treated as a physical loss.

(2) Improper payment. (For certifying and disbursing officers only)  
A disbursement of public funds (7 GAO 8.2) by a disbursing  
officer or subordinate that is found by an appropriate authority,  
including the Comptroller General, to be illegal, improper, or  
incorrect. Improper payments result from fraud, forgery, alteration  
of vouchers, improper certifications, etc. Improper payments can  
also be caused by human and/or mechanical error during the  
payment process.

c Public funds. Appropriated funds, receipts or collections, and funds held  
in trust by a federal agency.

## 7 HANDLING IRREGULARITIES

a All irregularities in the accounts of accountable officers must be  
investigated immediately.

b If it is determined that an irregularity has occurred, see 7 GAO 8.9 for Standards for relief of physical loss/deficiency and GAO 8.11 for Standards for relief of improper payments.

c When it is determined that the accountable officer is not responsible for the loss, heads of USDA agencies may grant relief in accordance with 31 U.S.C. 3527 and 7 GAO 28.14. Relief may be granted for physical losses less than \$3,000 and for losses due to improper payments of less than \$100.

## 8 REPORTING

a Agencies must prepare a report on each irregularity affecting the accounts of accountable officers whose accounts are required by law to be settled by GAO.

The reports are to be retained by the agency as part of the account records and copies sent to GAO when required by subsection 7 GAO 8.4C. A copy of each report should be provided to the accountable officer.

b Agencies must submit a fiscal year annual report to the Office of Finance and Management (OFM) no later than December 31, on all irregularities, and stating whether relief was granted in cases:

(1) where physical losses are less than \$3,000 and improper payments less than \$100, or

(2) where a portion of a loss, although unrecovered, is subject to routine, ongoing recovery action by way of offsets or installment payments.

C This report will be used by OFM to determine compliance with GAO requirements and to maintain the central control record required by GAO. From time to time GAO may identify particular circumstances in which the prompt reporting of irregularities in other specified situations is needed. At such time, agencies involved will be notified in writing.

## 9 INQUIRIES

Inquiries should be directed to the Office of Finance and Management, Federal Assistance and Fiscal Policy Division, at (202) 720-1204.